

**Congress of the United States**  
Washington, DC 20515

February 9, 2023

Mr. Bob Faith  
Greystar Real Estate Partners  
465 Meeting Street, Suite 500  
Charleston, SC 29403

Dear Mr. Faith,

We write today in response to a November report released by the Consumer Finance Protection Bureau (CFPB) highlighting systemic issues with the tenant background check process.<sup>1</sup> As one of the nation's leading property management companies, Greystar Real Estate Partners is uniquely positioned to provide clarity on its policies and practices for screening prospective tenants.

The CFPB reports an alarming pattern of tenant background checks that are often riddled with false information, attributed to the wrong tenant, or includes information prohibited by the Fair Credit Reporting Act (FCRA), including outdated criminal histories or misleading eviction data. The troubling lack of transparency around the collection and subsequent use of this questionable information is a concern for lawmakers because people are denied access to housing based on these erroneous reports. The impact on tenants is multifaceted—from hundreds of dollars of lost application fees, to lost opportunities to obtain stable and affordable housing—tenants have very little recourse to challenge an application denial.<sup>2</sup>

In St. Louis, frustrated tenants recall being charged exorbitant application fees—upwards of \$300 per rental unit—to process background checks. The financial barrier, combined with an impersonal algorithm collecting unverified information to produce these tenant screening reports, severely limits the ability of prospective tenants to access affordable housing. Residents in Chicago experience similar issues—with mistaken identities robbing applicants of a fair chance to compete for rental units.

To determine the prevalence and frequency of the use of tenant background checks to deny prospective tenants access to housing, please provide clarity for the following questions:

1. What tenant screening companies does Greystar work with?

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<sup>1</sup><https://www.consumerfinance.gov/about-us/newsroom/cfpb-reports-highlight-problems-with-tenant-background-checks/>

<sup>2</sup> Ibid.

- a. What process does Greystar use to ensure the information being reported to them by varying tenant screening companies is accurate? Is this process manual or automatic?
2. What is the process for notifying a prospective tenant their application has been denied and providing the adverse action notice?
  - a. Does Greystar tell each applicant why they were denied residency?
  - b. What terminology does Greystar use when denying residency? Please provide examples of the top three/most common terms used for denial.
  - c. If disqualifying data appears on a screening report is the applicant ever notified—in advance of an adverse action notice—to be able to address the disqualifying data?
3. Does Greystar provide a copy of the tenant screening report to every applicant/tenant? If not:
  - a. Does Greystar provide a copy to every applicant/tenant who is denied?
  - b. Does Greystar provide applicants/tenants who request a copy of their tenant screening reports with a copy?
4. What forms of recourse are available to applicants/tenants who have been denied based on negative information found in their background check?
5. What is the process Greystar uses to provide the applicant/tenant an opportunity to dispute the accuracy or relevancy of information in the tenant screening report before taking an adverse action against the applicant/tenant?
6. When using a third-party background check system, does Greystar have either a manual or automatic process to confirm the validity of the information in the tenant background check?
  - a. If automated, what quality-control measures does Greystar utilize to ensure they are receiving accurate information from the tenant screening companies?
  - b. How is Greystar ensuring that sealed eviction files or outdated criminal histories are not included in tenant screening reports?
7. What characteristics or metrics are being used to determine the eligibility of a prospective tenant?
  - a. Does Greystar share these metrics with the tenants?
  - b. What are these characteristics measuring?
8. How often is a renter's rental payment history—both negative and positive information—utilized to determine if a tenant's application has been approved?

9. Does Greystar utilize any kind of "rental score" or other score or grade in connection with rental applications? If so,
  - a. Were these metrics developed by Greystar or a tenant screening company?
  - b. What are the inputs that go into that score and how are the inputs weighted?
  - c. What is the process for taking raw applicant information from a rental application or screening report and converting it into data that can be used to apply the scoring algorithm?
  - d. What is the score range and the minimums for acceptance, acceptance with conditions, etc.?
  - e. How were those score ranges determined (i.e., why do you need X points to get in rather than some lower score?)?
  - f. Are these criteria shared with prospective tenants automatically or do the applicants have to request this information from Greystar?
10. What authority do Greystar leasing staff have to override or otherwise deviate from an automated leasing score or decision recommendation?
  - a. Can any leasing agent or a site manager override a denial recommendation, or does it need to be from a regional manager or other higher-level supervisor?
  - b. Is there a process for ensuring that rejected applicants know how to request review by a person with sufficient authority to override a decline? What is that process?
11. What is the average cost of a single tenant screening report?
  - a. How much of that cost is paid by your company and how much of the cost is passed to the prospective tenant?
  - b. What is the average application fee charged to prospective tenants, including the cost of background checks and tenant screening reports?
12. What is the aggregate amount collected on application fees in 2020, 2021, and 2022, respectively?
13. How does Greystar navigate guidance by the U.S. Department of Housing and Urban Development (HUD) and varying state and local laws that limit tenant screening practices? For example, in Cook County, Illinois, the Cook County Human Rights Act imposes a detailed tenant screening process and protections for people with arrest and conviction records. Does Greystar's tenant screening criteria and process for properties based in Cook County, Illinois account for this higher level of protection?

Thank you for your diligent time and attention to this matter. Please provide a response to this letter no later than March 1, 2023. We share your commitment to provide quality, affordable

housing to the millions of people across our country in need of stable housing and look forward to working with your organization to achieve this goal.

Sincerely,



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Cori Bush  
Member of Congress



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Jesús G. "Chuy" García  
Member of Congress



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Jamaal Bowman, Ed.D.  
Member of Congress



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Alexandria Ocasio-Cortez  
Member of Congress



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Rashida Tlaib  
Member of Congress



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Danny K. Davis  
Member of Congress



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Dwight Evans  
Member of Congress



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Ayanna Pressley  
Member of Congress



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Ilhan Omar  
Member of Congress



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Barbara Lee  
Member of Congress



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Yvette D. Clarke  
Member of Congress



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Pramila Jayapal  
Member of Congress



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Raúl M. Grijalva  
Member of Congress



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Katie Porter  
Member of Congress



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Nanette Diaz Barragán  
Member of Congress



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Sheila Jackson Lee  
Member of Congress



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James P. McGovern  
Member of Congress